

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

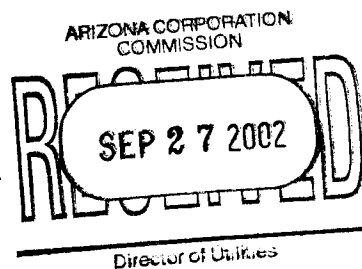
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W-02355A
SULGER WATER COMPANY #2
202 E. ALLEN LANE
HUACHUCA CITY AZ 85616-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

9-27-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>SULGER WATER CO #2</u>		
Mailing Address <u>202 E. ALLEN LANE</u> (Street)		
<u>HUACHUCA CITY,</u> (City)	<u>AZ.</u> (State)	<u>85616</u> (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>202 E. ALLEN LANE</u> (Street)		
<u>HUACHUCA CITY</u> (City)	<u>AZ.</u> (State)	<u>85616</u> (Zip)
<u>(520) 459-5050</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>ETHEL J. SULGER</u> (Name)		<u>OWNER</u> (Title)	
<u>202 E. ALLEN LANE</u> (Street)	<u>HUACHUCA CITY</u> (City)	<u>AZ.</u> (State)	<u>85616</u> (Zip)
<u>(520) 459-5050</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>ETHEL J. SULGER</u> (Name)		<u>OWNER</u>	
<u>202 E. ALLEN LANE</u> (Street)	<u>HUACHUCA CITY</u> (City)	<u>AZ.</u> (State)	<u>85616</u> (Zip)
<u>(520) 459-5050</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☒ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME

SULGER WATER CO #2

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	10,182.00	6,604.00	3,578.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	65,548.00	7,631.00	57,917.00
333	Services			
334	Meters and Meter Installations	1,405.00	157.00	248.00
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25,000.00	2,912.00	22,088.00
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	101,135.00	17,304.00	83,831.00

This amount goes on the Balance Sheet Acct. No. 108


COMPANY NAME

SULGER WATER CO #2

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	10,182.00	14.060%	1,432
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	65,548.00	2.564%	1,680
333	Services			
334	Meters and Meter Installations	405.00	2.4490%	99
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	25,000.00	2.564%	641
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	101,135.00		3,852

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 68.14	\$ 239.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		15.17
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$ 254.17
	FIXED ASSETS		
101	Utility Plant in Service	\$100,730.00	\$ 101,135.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(14,041.00)	(17,304.00)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 86,689.00	\$ 83,831.00
	TOTAL ASSETS	\$ 86,757.14	\$ 84,085.17

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$ 23.98
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 89,076.00	\$88,970.00
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 89,076.00	\$88,993.98
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	(2,318.86)	(4,908.81)
	TOTAL CAPITAL	\$ (2,318.86)	\$ (4,908.81)
	TOTAL LIABILITIES AND CAPITAL	\$ 86,757.14	\$84,085.17

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,589.14	\$ 151.19
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 1,589.14	\$ 151.19
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2,910.21	491.88
618	Chemicals	594.00	491.88
620	Repairs and Maintenance	104.86	
621	Office Supplies and Expense	54.00	
630	Outside Services	594.00	
635	Water Testing	594.00	
641	Rents		
650	Transportation Expenses	601.00	
657	Insurance – General Liability	594.00	
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	15.00	
403	Depreciation Expense	4,972.00	3,852.00
408	Taxes Other Than Income	4,972.00	3,852.00
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 9,197.07	\$ 4,343.88
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$ -0-	\$
	NET INCOME/(LOSS)	\$ (7,607.93)	\$ (4,192.69)

COMPANY NAME

SULGER WATER CO #2

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10-1-99	8-1-00		
Source of Loan	OWNER	OWNER		
ACC Decision No.				
Reason for Loan	CONSTRUCTION & EQUIPMENT	CONSTRUCTION & EQUIPMENT		
Dollar Amount Issued	\$ 10,076.00	\$ 78,894.00	\$	\$
Amount Outstanding	\$ 12,499.27	\$ 91,122.57	\$	\$
Date of Maturity	12-31-01	12-31-05		
Interest Rate	10%	10%		
Current Year Interest	\$ 1,136.30	\$ 8,283.87	\$	\$
Current Year Principle	\$ 10,076.00	\$ 78,894.00	\$	\$

Meter Deposit Balance at Test Year End

\$ -0-

Meter Deposits Refunded During the Test Year

\$ -0-

COMPANY NAME SULGER WATER CO #2

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
	10	75	6	518
	10	75	6	518

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
STORAGE TANKS	10,000	3,000	3,000

STATISTICAL INFORMATION

Total number of customers 2

Total number of gallons sold 185,170 gallons

COMPANY NAME SULGER WATER CO #2

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

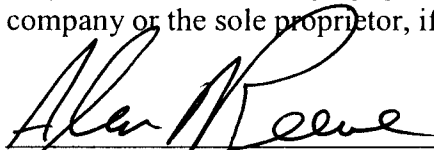
Amount of Grossed-Up Contributions/Advances:


Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE


9-27-02

DATE

ETHEL J SULGER

PRINTED NAME

OWNER

TITLE

COMPANY NAME SULGER WATER CO #2 YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ -0-

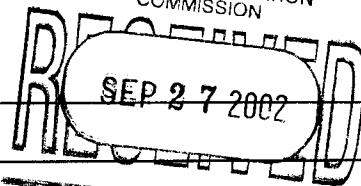
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

OWNER OWNS PROPERTY - (WELLS ARE ON SMALL CORNER OF PROPERTY).

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
COCHISE
NAME (OWNER OR OFFICIAL) TITLE
ETHEL J. SULGER
COMPANY NAME
SULGER WATER CO #2

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

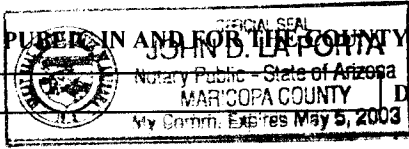
\$ 151.19

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ -0-
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 459-5050
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS  DAY OF

(SEAL)

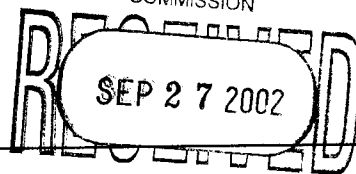
MY COMMISSION EXPIRES

COUNTY NAME
COCHISE
MONTH
20__

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	COCHISE
NAME (OWNER OR OFFICIAL)	ETHEL J. SULGER
TITLE	OWNER
COMPANY NAME	SULGER WATER CO #2

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ -0- \$151.19

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

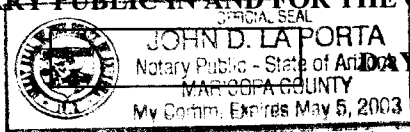
X

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	
COUNTY NAME COCHISE	
MONTH	. 20

X

SIGNATURE OF NOTARY PUBLIC

COUNTY OF COCHISE
OFFICE OF THE TREASURER AND TAX COLLECTOR
BOX 1778
BISBEE, ARIZONA 85603
PHONE (520)432-9222 EXT. 9223, 9224, 9225
DEC 01,2000

PARCEL IDENTIFICATION

99-106-16-064-00-7

HEART CAB CO

YEAR 1999	
DELINQUENT TAXES \$	71.30
INTEREST .1467	10.46

202 E ALLEN LN
HUACHUCA CITY ,AZ 85616

YEAR 2000	
DELINQUENT TAXES \$	33.78
INTEREST .0267	.90

TOTAL DUE	\$	116.44
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IF PAID ON OR BEFORE DEC 31,2000

TREASURER'S OFFICE, COCHISE COUNTY, ARIZONA.
PUBLIC NOTICE IS HEREBY GIVEN THAT I WILL OFFER AT PUBLIC SALE AT THE
OFFICE OF THE BOARD OF SUPERVISORS OF COCHISE COUNTY, ARIZONA,
ON THE 22ND DAY OF FEBRUARY 2001, AND ON SUCCEEDING DAYS,
A TAX LIEN ON THE FOLLOWING DESCRIBED REAL PROPERTY, UPON WHICH THERE
ARE DELINQUENT TAXES, FOR AN AMOUNT NECESSARY TO PAY THE TAXES WITH
INTEREST, PENALTIES AND CHARGES THEREON.

SULGER CITY NO #2 LOT 19 3.06AC

IF THIS TAX IS NOT PAID BY DEC. 31, 2000 A PENALTY OF 5 PER CENT OF
THE AMOUNT OF TAX OR \$5.00 WHICHEVER IS GREATER WILL BE ADDED JAN. 1, 2001.

THERE ARE ALSO ADDITIONAL BACK TAXES DUE ON THIS PARCEL.
PLEASE CONTACT THE BACK TAX DEPARTMENT IN WRITING FOR COST TO REDEEM.

FOR OFFICIAL USE ONLY.
TAX CODES

1111111111222
1234567890123456789012

XX

5